

Western Balkans and Turkey: Joint conclusions of the economic and financial dialogue of 19 May 2020



Representatives of the EU Member States, the Western Balkans and Turkey, the European Commission and the European Central Bank, as well as representatives of the central banks of the Western Balkans and Turkey^[1] met for their annual economic policy dialogue^[2]. The dialogue aims at preparing the Western Balkans and Turkey for the future participation in the European Semester.

The outbreak of the Covid-19 pandemic confronts EU Member States, the Western Balkans and Turkey with similar unprecedented major public health, economic and social challenges. Participants agreed that it is crucial to maintain the economic policy dialogue in these exceptional circumstances in view of a commonly coordinated response to the crisis. Participants acknowledged the strong solidarity between the EU and the Western Balkans and Turkey they have been demonstrating by providing medical and financial assistance to fight the Covid-19 pandemic and contributing to address its socio-economic impact in the region. Participants welcomed the measures adopted by the Western Balkans and Turkey to limit the spread of the Covid-19 virus. They also acknowledged that the adoption of temporary emergency measures should be done in a transparent manner and should not undermine the principles of rule of law, democracy and fundamental rights. Participants fully supported the Western Balkans and Turkey in their decisions to allow automatic fiscal stabilisers to accommodate crisis-induced economic fall-outs in 2020. They also considered appropriate to take additional discretionary measures to cushion the negative impact on growth and employment in the short-term. Looking ahead beyond the short-term impact of the crisis, participants agreed that the economic policy dialogue should continue to play a central role for policy coordination in view of the medium-term recovery after the crisis. The macro-fiscal scenarios and part of the structural analysis presented in the Economic Reform Programmes have been strongly impacted by the Covid-19 crisis fallout. Therefore, participants concluded that this year's policy guidance will focus on measures providing an immediate fiscal, economic and social policy response to mitigate the impact of the pandemic as well as on the transition from these short-term to more structural measures to foster the medium-term recovery. In order to build up economies' resilience in the longer term, these measures should duly take into account the digital transformation and the green transition, in line with international commitments. It is important to duly integrate gender equality perspective in all the measures taken to foster employment, social protection and health care. Strong ownership will be key to achieve the successful implementation of the jointly agreed policy guidance.

Overall, Participants underlined their commitment to this surveillance process and encouraged the Western Balkans and Turkey to foster strong recovery via further improvement of their macroeconomic, budgetary and

structural policies in a medium-term perspective. The dialogue will continue in 2021, including on the implementation of these conclusions.

^[1] Montenegro, Serbia, the Republic of North Macedonia, Albania and Turkey are candidate countries for EU accession.

^[2] The conclusions of this dialogue are without prejudice to EU Member States' positions on the status of Kosovo.

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